California State University, San Bernardino

# CSUSB ScholarWorks

2001

# The feasibility of establishing an internet advertising agency in the United Arab Emirates

Ahmed Shams Khouri

THE FEASIBILITY OF ESTABLISHING AN INTERNET ADVERTISING

AGENCY IN THE UNITED ARAB EMIRATES

_____

A Thesis

Presented to the

Faculty of

California State University,

San Bernardino

_____

In Partial Fulfillment

of the Requirements for the Degree

Master of Arts

in

Interdisciplinary Studies:

Integrated Marketing Communication

_____

by

Ahmed Shams Khouri

September 2001

THE FEASIBILITY OF ESTABLISHING AN INTERNET ADVERTISING

AGENCY IN THE UNITED ARAB EMIRATES

_____

A Thesis

Presented to the

Faculty of

California State University,

San Bernardino

_____

by

Ahmed Shams Khouri

September 2001

Approved by:

_____    9-4-01
Nabil Razzouk, Ph.D., Chair, Marketing       Date

_____
Kevin Lamude, Ph.D., Communication

_____
Victoria Seitz, Ph.D., Marketing

ABSTRACT

The subject selected for this research study is the
identification of strategies to establish an Internet
marketing agency in the United Arab Emirates (UAE). The
first step involved a study of the Internet and how it is
being used as a marketing tool today, and a survey of 150
respondents in 50 organizations in the UAE. The results of
the research supported the view that the UAE is continuing
in its growth and development stage and that using web
sites as a way to market products will ensure such growth.

The study found that in general, UAE managers are
familiar with the Internet and the use of web sites. Many
indicated they are currently using web sites for marketing
their products and others reported that they would be
using the Internet in the near future. The results
indicate that an advertising agency with expertise in
designing and maintaining web sites is needed in the UAE
to support its continued growth and development.

# TABLE OF CONTENTS

## LIST OF TABLES

CHAPTER ONE

BACKGROUND

The subject selected for this research project is the identification of the strategies to establish an Internet marketing agency in the United Arab Emirates (UAE) that offers advertising assistance via web sites to companies doing business in the country. Today, more than 1.6 million commercial sites operate on the Web, mainly American companies, all in fierce competition for the attention of potential buyers. Hoffman and Novak (2000) state that E-trailers are finding that it takes enormous marketing expenditures to set themselves out from the crowd, inspire web shoppers to visit their sites, and then to get them to actually make a purchase.

Internet marketing is still a work in progress. Every day new experiments are tried and new data collected. With the ability to allow a company to draw a direct line from advertisement to sale, the web offers for the first time in the history of media a chance to know what strategy really works (Hoffman & Novak, 2000).

Statement of the Problem

The UAE is a small country in the Middle East. Since independence it has become an industrial power in the Gulf

region. United Arab Emirates Handbook, 1999 states that due to its geographic location, the UAE is a major port on the Gulf, serving ships traveling from Europe to Asia, and ships from Asia to Europe and the Mediterranean. The UAE government policy recognizes the private sector as being of major importance in the drive for diversified economic growth and full employment for nationals and to lessen dependence on oil for revenues. The creation of a facilitative business environment encourages local investors to put their wealth to productive use, as well as attracting foreign investment.

Key elements of the UAE's incentive strategy have been the provision of first class industrial facilities and business support services, the reduction of red tape and streamlining of administrative procedures as well as updating of commercial laws and regulations to meet international obligations, increase transparency and ensure effective protection for investors. Favorable tax laws and political stability also assist in making the UAE a prime business location.

These strategies have resulted in the establishment of many businesses and industries in the UAE, particularly Dubai and Abu Dhabi. At the present time, although many

companies have implemented modern technology, they have

been slow to adopt the Internet as a marketing strategy.

It is believed that many companies could greatly

benefit from marketing on the Internet because the market

is very broad and includes all countries in the Middle

East and beyond.

Purpose of the Study

The purpose of the study is to identify the need for

and interest in the use of the Internet and web sites as a

marketing tool in companies currently doing business in

the UAE. Only 14 percent of top firms in the UAE are

currently involved in e-commerce, but 95 percent believe

the Internet is an important business tool, according to

recent surveys.

Gilbert Laroix, Intel's general manager for the

Middle East and North Africa, sates that the Internet is

changing the ways of business and companies need to take

advantage of this new phenomenon. He expects e-commerce in

the Middle East will grow from its present value of a few

hundred million dollars to more than $2 billion by 2002

(Survey: UAE, 2001).

The objective of the survey was to identify those

companies in the UAE that would benefit from marketing on

the Internet but who may not have internal skills and experience necessary to develop web sites that will attract customers. Few companies today have web masters and therefore are handicapped getting into the field of Internet marketing. This study will identify the feasibility of opening an advertising agency in the UAE to prepare web sites for the various companies that would benefit from using this marketing tool to expand their markets.

## Methodology

The methodology selected for this study includes primary and secondary research. Primary research consists of a survey of companies within the UAE that would benefit from the use of web sites to expand their markets, which would enable them to increase production and contribute more to the economy. A questionnaire was distributed to the marketing managers of approximately 50 companies, selected at random. The Likert system was used for responses to the survey, and the Statistical Program of Social Sciences (SPSS) has been used to analyze the primary data.

Secondary research consists of articles, journals, and texts on the subject of establishing web sites and

marketing on the Internet published with in the last five
to ten years. The focus is on web sites and marketing on
the Internet. Case studies include the history and
background of companies that have successfully marketed on
the Internet, the methods and strategies that have
contributed to their success.

## Project Review

From the collected data, a proposed business plan was
prepared for establishing an Internet advertising agency
in the UAE for the purpose of marketing web sites to
companies currently doing business in the UAE. The
business plan incorporates a marketing plan designed for
the business to design and sell web site advertising to
local businesses that will benefit from the use of
marketing on the Internet.

## Plan of the Study

The following is the content of this study:

Chapter One: Introduction, Statement of the Problem,
Purpose of the Study, Methodology, and Project
Review.

Chapter Two: A brief review of the Internet, the World
Wide Web, and the use of the Internet as a
marketing tool, with emphasis on advertising.

Chapter Three: A brief summary of the UAE as a country,

      its industrial progress, and potential in the

      Global market, current use of the Internet, and

      status of the current use of the Internet.

Chapter Four: Methodology and results of the survey

      conducted in the UAE.

Chapter Five: A proposed business plan for the purpose of

      establishing an Internet Advertising Agency in the

      UAE.

Chapter Six: A summary of the study and conclusions drawn

      from the results as to the feasibility of

      establishing an Internet Advertising Agency in the

      UAE.

    The next chapter is a review of the use of the
Internet and web sites as a marketing tool in various
types of businesses whose products and/or services would
benefit from a broader perspective domestically as well as
internationally.

CHAPTER TWO

THE INTERNET AND WEB SITES

## Introduction

Although the history of the Internet is relatively short, its growth has been explosive. According to O'Brien (1996), the Internet has is roots in a networking project started by the Pentagon's Advanced Research Projects Agency (ARPA) established in 1969 by the U.S. Defense Department to enable corporate, academic, and government researchers to communicate with E-mail and share data and computing resources. The network called ARPANET became functional in September 1969, effectively linking together scientific and academic researchers in the United States.

The Net does not have a central computer system or telecommunications center. It does not have a headquarters or governing body. It is growing rapidly. It is the largest network of networks today and the closest model we have to the information superhighway of tomorrow. It is a rapidly growing web of thousands of businesses, educational and research networks connecting millions of computers and their users in over 100 countries (O'Brien, 1996).

Businesses are also connecting to the Internet because it represents the wave of the future in business telecommunications. Many feel that this is the way business will be conducted in the future. As a result, the Internet has become a marketing tool with everything being bought and sold ranging from antiques, cars, computers, foods, clothing, to name a few.

## The World Wide Web

Cashman (2000) states that although the terms World Wide Web (web) and Internet interchangeably, the web is just one of the many services available on the Internet. The Internet was developed in the later 1960s, and the web came into existence a decade ago, in the early 1990s. Since then, however, it has grown phenomenally to become the most widely used service on the Internet.

The web is a network of computers all over the world. The computers communicate with each other using a communication standard called HTTP. Web information is stored in a worldwide collection of electronic documents that have built-in hyperlinks to other related documents. The hyperlinks, called links, allow users to navigate quickly from one document to another, regardless of whether the documents are located on the same computer or

on different computers in different countries. An electronic document is called a web page.

Testerman, Kuegler, and Dowling (1999) reports that the web fuses text-based documents with graphic images, sound, and animation. It allows for complex interactions between the consumer and the advertising medium as well as between groups of consumers. The invention of the web has prompted millions of consumers to go online according to Testerman et al., (1999).

Cashman (2000) states that a web site is defined as a grouping of web pages linked so that one may follow from one page to the next. Most web sites have a staring point, called a homepage, similar to a book cover or table of contents for the site and provides information about the site's purpose and content. It is also used to describe the information that an individual, company, or entity puts on the Web.

## Webmaster

A Webmaster is the individual responsible for developing web pages and maintaining a web site. Webmaster and other web page developers create and format web pages using hypertext markup language (HTML) which is a set of special codes that define the placement and format of

text, graphics, video, and sound on a web page. Because

HTML can be difficult to learn and use, many user-friendly

tools exist for web publishing, which is the development

and maintenance of web pages (Testerman et al., 1999).

Many companies, particularly small and some medium

sized companies, do not have a Webmaster on staff,

according to Testerman et al. (1999). Testerman et al.

adds that although a company may have an in-house

advertising or marketing department, this does not mean

that there is in-house expertise needed to develop a

working web strategy. The company may have a computer or

technical department, but this does not mean they have any

idea or concept of marketing which is a unique field

within itself.

The Internet is a specialized portion of the computer

world; the people who run corporate computer systems are

not always well versed in the web. An alternative is

hiring an outside consultant who works on adhoc

development of web pages or helps coordinate the evolution

of Web-friendly marketing plans. It is Testerman's et al.

(1999) view that most firms today look to Internet

advertising agencies, those with expertise in this area

that is needed if the sites are to be effective.

Web Marketing

The web is a fast paced Net environment where citizens called web surfers make ultra fast choices to acquire information. Cashman (2000) states that the web is a society unto itself, with its own culture, its own people, and even its own language. It is multinational in character. It has evolved into a culturally diverse venue, where at any time you will find surfers from every part of the globe. Web user diversity has special implications for anyone who wants to market their products or services online using the Net. One reason the web is so popular is that the sites feature pictures and sound. Stunning visuals and compelling music and sound effects transcend language barriers and capture the attention of surfers.

Creative Strategies (1998) reports that the Internet is changing the way we advertise and market products and services. Through powerful targeting technology and a high level of interaction, the web offers the ability to build relationships between brands and consumers like no other form of media. Advertising and marketing on the web present opportunities. The web's potential for generating direct sales is both feasible and practical. Sales will increase in years to come once the site becomes established. Testerman et al. (1999) indicates that

breaking-even the first year may not be possible, but the growth will lead to direct sales before a decade is over. No other medium can put a company before so many people.

Hyland (1998) reported that advertising on the Internet recorded the highest level of revenues during the third quarter of 1997, totaling $227.1 million, and year-to-date revenues of $571 million, a significant increase over the reported 1996 revenues of $267 million. Factors contributing to this growth include an increase in budgets devoted to online advertising, improvements in web content and entertainment, growth in cross-promotion of web sites in other media (e.g., TV, print and radio).

The Internet is changing the way we advertise and market products and services. Through powerful targeting technology and a high level of interaction, the web offers the ability to build relationships between brands and consumers like no other form of media. The key to utilizing the Internet's full potential is being aware of the opportunities and then determining the best way to use these methods to reach a company's goals. The most exciting facet of online advertising is the variety of creative strategies that meet the different needs of web advertisers (Creative Strategies, 1998).

Modahl (2000) states that the Internet makes it possible for consumers to express demand and let companies respond to them. As it reaches critical mass, information systems change the way companies measure demand and set prices. The successful companies are those that do a good job in forecasting future demand. However, when consumers set the agenda, it is more important for companies to be able to respond quickly than it is for them to predict well. To acquire a consumer base, Internet companies expand their points of sale as quickly as possible.

## Costs

What is the cost for Internet companies? Some advertise on television, but most do not. Instead, they pay to place their company's name and a link back to their site on the most popular Internet directories, or "portal" sites. Unlike TV advertising deals, the portal placements, as they are called in the industry, usually cover two to five years at a time. These deals cost the buyer anywhere from $5 million to $500 million. Over the last three years, the number and costs of these deals has been increasing. It is only natural to look at the Internet and conclude that since everyone is connected, your customers can get to you. A more useful view is that the network

allows you to connect to them, wherever they are. Rather than seeing a web site as a single, huge point of sale, it is merely the back office of the business. As the company name is distributed to other Internet sites, and eventually onto consumers' desktops, palm computers, and telephones (Modahl, 2000).

## Summary

The history of the Internet is relatively short, but its growth continues to explode throughout the world. The World Wide Web (WWW) is a number of sites on the Internet primarily used today for marketing, obtaining information, and communications. Web pages provide business and industry with the ability to sell products and services on the Internet. Compared to other media, web sites have proven to be less expensive.

The next chapter is a brief review of the economic growth of the UAE, its industrial progress, and potential in the Global market, current use of the Internet, and status of the current use of the Internet.

CHAPTER THREE

THE UNITED ARAB EMIRATES

Introduction

The United Arab Emirates (UAE) is located in the

eastern part of the Arabian Peninsula, extending along

part of the Gulf of Oman and the southern coast of the

Persian Gulf. The Time Almanac 2000 states the nation is

the size of the state of Maine (B. Brunner, 1999). Its

neighbors are Saudi Arabia to the west and south, Qatar to

the north, and Oman in the east. Most of the land is

barren and sandy. The government is a federation formed in

1971 by seven emirates known as the Trucial states Abu

Dhabi (the largest), Dubai, Sharjah, Ajman, Fujairah, Ras

al Khaimah, and Umm al-Qaiwain. The capital is Abu Dhabi.

In 1999, the population was estimated at 2,344,402.

History

The earliest inhabitants of the UAE appear to have

arrived during the Late Stone Age, around 6,000 to 7,000

years ago. Their flint implements have been found both

inland and on offshore islands like Dalma and Merwah.

Around 4,000 BC the people were trading by sea with the

"Ubaid civilization of Mesopotamia," the beginning of a

long heritage of maritime trade. During the Bronze Age

from around 3,200 BC to 1,300 BC, the UAE was already

playing a significant role in regional commerce, exporting

copper and probably pearls to the great empires of

Mesopotamia and importing tin, ivory, fine ceramic vessels

and other goods from Afghanistan, Iran, and the Indus

Valley (United Arab Emirates Handbook, 1998).

Trade, both by sea and by land, has long been a key

feature of the local economy. Archeological sites at

Mileiha, in Sharjah, have produced evidence of commercial

links with Greece in the third century BC, while AdDoor in

Umm al-Qaiwain had links with the Roman Empire at the

beginning of the Christian era, by which time the port of

Dibba on the UAE's Gulf of Oman coastline was already

trading with China (United Arab Emirates, 1998).

The United Arab Emirates Handbook (1998) states that

Islam was introduced to the UAE in the 7th century when

God asked the Prophet Mohammad to deliver his message to

the world. The UAE played a major role in spreading the

faith into Iran and in countries further eastward.

The United Arab Emirates Handbook (1998) states that

part of the UAE came under control of the Portuguese in

the 16th century although the mountains and interior

succeeded in preserving their freedom. In the 16th

century, the Bani Yas tribal confederation had already

established itself in the western part of the country,

where the emirate of Abu Dhabi was to emerge. Later, the

ancestors of the Al Qawasim family, which provided the

rulers of Sharjah and Ras al-Khaimah, established

themselves in the northern part of the country. By the

early 19th century, the naval power of the Al Qawasim

challenged the might of the British East India Company

prompting, after over a decade of intermittent conflict, a

permanent British political and military presence in the

region (United Arab Emirates Handbook, 1998).

Under the agreements signed in 1820 by the British,

the rulers of the emirates, or sheikhdoms as they were

then known, retained their sovereignty in internal

affairs, but benefited from the preservation by Britain of

peace at sea, permitting the flourishing of the local

pearl industry. Pearl diving remained a key component of

the local economy until the 1930s, when it suffered under

the dual blow to the world economic depression and the

invention of the cultured pearl. The industry finally

faded away shortly after World War II by which time, a new

industry, oil, had begun to make its mark. Commercial

deposits of oil were found in 1958, with exports beginning

four years later, laying the foundation for the economic

growth that has since completely transformed the country.

In 1968, the British announced that they would
withdraw from the region. The rulers of the emirates began
discussions that led eventually to the formation of the
federation, and the UAE emerged as a fully fledge member
of the international community on December 2, 1971 (United
Arab Emirates Handbook, 2000).

## The Economy

The unprecedented economic transformation which has
taken place in the UAE since the formation of the state
has been largely funded by oil revenues. Although oil and
gas production remain the primary source of public
revenue, the secret of the country's current economic
success has been determined government strategy of
economic diversification, leading to the creation of new
productive sectors. This, combined with revenues from
foreign investment, has meant that the UAE economy has
been relatively immune to the effects of plummeting oil
prices (United Arab Emirates Handbook, 2000).

## Business Environment

The UAE government policy recognizes that the private
sector is of major importance in the drive for diversified
economic growth and full employment for nationals. The
creation of a facilitative business environment which

encourages local investors to put their wealth to productive use as well as attracting foreign investment, have been an important aspect of this policy. Key elements is the UAE's incentive strategy that has provided for first class industrial facilities and business support services, the reduction of red tape and streamlining of administrative procedures, as well as the updating of commercial laws and regulations to meet international obligations, increase transparency, and ensure effective protection for investors. Favorable tax laws and political stability also assist in making the UAE a prime business location (United Arab Emirates Handbook, 2000).

The United Arab Emirates Handbook (2000) states that the UAE joined the World Trade Organization (WTO) in 1995 in the knowledge that developing countries, including Arab states, cannot ignore WTO sponsored agreements and their impact on the global economy. A bridge between the private sector and government has been provided by the Abu Dhabi Chamber of Commerce and Industry for over 30 years. Since its inception in April 1969, operating from a two room apartment in the capital. It has grown in stature to become the largest chamber of commerce in the Gulf states, with a membership of 51,399 at the end of 1998, increased

from 27 in 1969. It is now housed in an imposing building on the Corniche (United Arab Emirates Handbook, 2000).

Free Zones

The increased number of free zones operating in the country is serving to offer a wider range of options to potential investors, including 100 percent ownership of investments. The massive Jebel Ali Free Zone has become one of the largest industrial complexes worldwide which, together with the adjacent port, the world's largest manmade harbor, has continued to attract investors. The Fujairah Free Trade Zone was awarded an ISO 9002 certificate in 1999, offers businessmen the locational advantage of an east coast port as well as the benefits of partnership with the Fujariah Government. It has been growing at a rate of 20-22 percent annually and currently has over 125 projects registered at the zone, representing sector investment worth Dh750 million. Trade value out of the zone by the end of 1999 was expected to top Dh one billion (United Arab Emirates Handbook, 2000).

The Dubai airport Free Zone Authority, one of the most recently established free zones in the UAE, grants licenses to companies with an international reputation who intend to invest properly in environment friendly projects that are not labor intensive. The emphasis is on long term

gains within the context of a five-year business plan.
More developments are planned to be added in the future
(United Arab Emirates Handbook, 2000).

E-Commerce

In order to keep abreast of commercial trends
worldwide, the UAE intends to set up an Internet based
central financial forwarding and clearance facility known
as the Payment Gateway Server. Several top companies are
working with government departments to establish the
facility which is expected to be the first of its kind in
the Gulf area. This is a major step in the introduction of
e-commerce, equivalent to central clearing and forwarding
of financial transactions carried out on the Internet. The
server, which will permit secure electronic transactions,
is an intermediary between Web-based merchants, financial
institutions and consumers (United Arab Emirates Handbook,
2000).

According to a survey conducted by Intel, most
e-commerce in the UAE is conducted by the retail sector,
where 42 percent of companies conduct business over the
Internet. Many retail companies have corporate web sites
in place. Only 9 percent of companies stated that they
will not use e-commerce. One major barrier to use of the

Internet that IT managers cited in the survey was access
speed, with 76 percent saying they would use it more
frequently if connections were faster. Plans are in
process to correct this problem (Survey: UAE, 1999).

## Dubai Internet City

Anderson (2001) states that Dubai Internet City was
launched in October 2000. Since that time it has achieved
considerable success. About 200 companies registered so
far and the first phase of accommodating new businesses is
already over-subscribed. Companies who have committed
themselves to locating operations in Dubai Internet city
include several major multinationals such as Microsoft,
Oracle, Sun Micro-System, Compaq, IBM, and MasterCard.

Anderson (2001) adds that Dubai Internet City is
located a short distance from the center of Dubai City. It
near a major residential construction project that will
create a new city, easily reached from the Dubai
International Airport. Companies locating in Dubai
Internet City will have the choice of offices in pre-built
office buildings, or build their own within the site.

The City is committed to providing a world-class
technical infrastructure, including a high bandwidth and
low cost access to a state-of-the-art telecommunications

infrastructure. However, its greatest strength is its

ability to bring together a community of companies and

facilitate strategic alliances. It is actually one of

three initiatives situated within the Dubai, i.e.,

Technology, Electronic Commerce, and the Media Free Zone.

The other two initiatives are Dubai Media City and the

Dubai Ideas Oasis. Dubai Media City is designed to provide

a location and infrastructure for all kinds of media

business, broadcasting, publishing, advertising, public

relations, research, music, post-production, etc.

(Anderson, 2001).

Dubai Ideas Oasis is a "community of entrepreneurs,

incubators, venture capitalists and other enabling

organizations," according to Anderson (2001). The

objective is to capture new e-business ideas and bring

together the incubation, capital and other support

necessary to take the ideas from concept to the

marketplace. Dubai Internet City may be the most

successful of the three initiatives to date, its unique

combination with the other two initiatives makes the free

zone the first of its kind in the world. A measure of the

impact of the Dubai Internet City after such a short

period is that it was the host in January 2001 for the

OECD Emerging Market Economy Forum on issues including

current views on the taxation of 3-commerce.

## Economic Outlook

According to "A Country Report," oil prices are

expected to remain reasonably strong, although declining,

during the year 2001(United Arab Emirates Handbook, 2001).

The role of foreign direct investment (FDI) is expected to

expand most rapidly in Dubai, where dwindling oil reserves

have added a sense of urgency to reforms. Dubai has

already taken steps to ease foreign ownership restrictions

and will seek to promote further inflows when possible.

Abu Dhabi remains comparatively conservative regarding

FDI, using it as a means of sharing capital costs and

obtaining new technologies.

The strong oil prices witnessed in 2000 have prompted

the UAE government to revise its estimate for nominal GDP

growth to 17.1 percent, compared with the 10 percent

estimated earlier last year. The Minister of Planning said

that the GDP would reach $60.8 billion in 2000. GDP growth

for 2001 is estimated at 5 percent as the benefits of two

years of strong oil prices filter down and new industrial

capacity comes on stream. An expected 18 percent fall in

oil prices over the year will be accompanied by stable

production which will allow growth rates to stay strong.
Real growth will drop back to 4 percent in 2002 on the
back of lower prices (United Arab Emirates Handbook,
2001).

With the volatility of oil prices, and competition in
the industry, the role of the private sector needs to be
increased so that the economy will continue to grow and at
the same time, lessen dependence on oil revenues for
further development.

                              Summary

The United Arab Emirates (UAE) is located in the
eastern part of the Arabian Peninsula. It is a developing
country that became independent in 1971. However, many
Arab tribes lived in the emirates for hundreds of years.
Following the discovery of oil, the government has
modernized the country. Today, it is one of the main
industrial hubs in the Middle East. The private sector has
expanded to lessen dependence on oil revenues. As a
result, the business environment and free zones have
attracted business and industry from all over the world.
The economy is strong and continued growth is forecast.
Many companies are using the Internet in their
organizations as well as a marketing tool. Use of the

Internet is expected to increase significantly within the near future.

The next chapter is a description of the methodology selected for this study and an analysis of the survey.

# CHAPTER FOUR

## METHODOLOGY AND ANALYSIS

The methodology selected for this study includes primary and secondary research. Primary research consists of a survey of companies within the UAE that would benefit from the use of web sites to expand their market. A questionnaire was distributed to 150 managers of approximately 50 companies, selected at random (See Appendix A).

The Likert system was used for measuring responses to the survey. The Statistical Program of Social Sciences (SPSS) was used to analyze the primary data.

Part I of the survey was designed primarily to determine demographics, types of companies, scope of business, current use of the Internet, and whether the company has a web site. Part II is analyzed in the next chapter.

Table 1 is a summary of the businesses and industries in which the company is involved. As indicated in the table, the majority of respondents were outside manufacturing, retail, services and government, indicating that the majority were primarily other types of business,

Table 1.

Businesses and Industries

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Manufacturing | 17 | 11.3 | 11.3 |
| Retail | 12 | 8.0 | 19.3 |
| Services | 29 | 19.3 | 38.7 |
| Government | 40 | 26.7 | 65.3 |
| Other | 51 | 34.7 | |
| Total | 150 | 100.0 | 100.0 |

probably small, family owned companies, which dominate the city, and which traditionally represent the Arab culture.

Respondents were asked to identify their position within the organization. See Table 2. The classifications ranged from CEO to managers of MIS. The majority indicated "other" which was not clarified so it is not known what level of management the respondent occupied.

Table 2.

Position in the Company

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| CEO,CFO, etc. | 7 | 4.7 | 4.7 |
| Marketing Mgr | 12 | 8.0 | 12.8 |
| Supervisor | 23 | 15.3 | 28.4 |
| Manager, MIS | 15 | 10.0 | 38.5 |
| Other | 91 | 60.7 | |
| Missing | 2 | 1.3 | |
| Total | 150 | 100.0 | 100.0 |

The use of the Internet has become global, and as a result, many businesses and industries today are doing business in the global marketplace. To reach customers as well as potential customers worldwide, companies have chosen to establish a web site to reach them. Table 3 describes the scope of the businesses of respondents.

Table 3.

Scope of Business

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Domestic only | 52 | 34.7 | 34.7 |
| Global | 53 | 35.3 | 70.0 |
| Regional | 9 | 6.0 | 76.0 |
| Middle East | 28 | 18.7 | 94.7 |
| Other | 8 | 5.3 | |
| Total | 150 | 100.0 | 100.0 |

The majority of respondents indicated that they were conducting business on a global scale, with domestic only ranking second and the Middle East only, ranking third. Many of domestic businesses are most likely to expand into the global market in the future as they continue to grow and expand. Also, it is not unlikely that those who are currently doing business only in the Middle East, will within the near future, go global as well. This is based on the continued growth being experienced by business and industry in the UAE today.

29

It was assumed that many of the companies currently

doing business globally would be using the Internet.

However, the study found the majority is currently using

the Internet. This reflects the modernization of the

communications systems in the UAE and the structure that

has expanded as the need has increased. Table 4 reflects

these results.

Table 4.

Current Use of the Internet

| | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Yes | 132 | 88.0 | 88.0 |
| No | 15 | 10.0 | 98.0 |
| Other | 3 | 2.0 | 2.0 |
| Total | 150 | 100.0 | 100.0 |

Table 5 reflects how the Internet is being used in

the organization. The responses indicate that the primary

use appears to be in web sites, use of the Internet within

the organization, and marketing, followed by networking

with branches, subsidiaries, and suppliers. The responses

indicate that the Internet is being well used in the

public as well as the private sector.

Table 5.

Uses of the Internet

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Marketing | 17 | 11.3 | 12.7 |
| Web sites | 37 | 24.7 | 40.3 |
| In the org. | 20 | 13.3 | 55.2 |
| Networking | 15 | 10.0 | 66.4 |
| Other | 4 | 2.7 | 69.4 |
| All the above | 16 | 10.7 | 81.3 |
| 2 & 3 | 14 | 9.3 | 91.8 |
| 2 & 4 | 4 | 2.7 | 94.8 |
| 2, 3, & 4 | 7 | 4.7 |  |
| Missing | 16 | 10.7 |  |
| Total | 150 | 100.0 | 100.0 |

It was also important to the study to identify the
person in the organization in charge of online operations
to determine the person most likely to be in charge of web
sites if one was sold by the agency. The results of the
survey are shown in Table 6. It was assumed that the
marketing and MIS managers would have the most authority
in making decisions regarding the implementation of a new
web site.

To determine if the company had a web site, the
question was asked regarding the management of the web
site. This was for the purpose of determining whether or
not the company had a specific Webmaster, employed an
agency, or obtained other sources to maintain the site.

Table 6.

In Charge of Online Operations

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Marketing Mgr | 31 | 20.7 | 25.8 |
| MIS Mgr | 40 | 26.7 | 59.2 |
| Other | 49 | 32.7 |  |
| Missing | 30 | 20.0 |  |
| Total | 150 | 100.0 | 100.0 |

Table 7 reports the results of this item.

Table 7.

Management of the Web Site

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Webmaster | 25 | 16.7 | 20.2 |
| MIS Dept. | 52 | 34.7 | 62.1 |
| Consultant | 24 | 16.0 | 81.5 |
| Agency | 24 | 9.3 | 92.7 |
| Other | 9 | 6.0 |  |
| Missing | 26 | 17.3 |  |
| Total | 150 | 100.0 | 100.0 |

The manager of the MIS Department is the most likely person to manage the corporate website. However, there were a significant number of companies using advertising agencies with web experience to manage the site. It is expected that this number will increase as more companies go online to expand their markets.

The next question concerned how the web site was being used by the company, or at least the primary

objective. Although it was assumed that the majority were using web sites mainly as marketing tools, it was important to know their other uses which may have a direct relationship to marketing such as customer service. Table 8 reflects the responses to the questionnaire.

Table 8.

Primary Purpose of the Web Site

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Customer Info | 37 | 24.7 | 29.8 |
| Customer Svc | 20 | 13.3 | 46.0 |
| Marketing | 23 | 15.3 | 64.5 |
| Revenues | 5 | 3.3 | 68.5 |
| Other | 16 | 10.7 | 81.5 |
| All the above | 3 | 2.0 | 83.9 |
| 1 & 2 | 6 | 4.0 | 88.7 |
| 1 & 3 | 6 | 4.0 | 93.5 |
| 1, 2, & 3 | 8 | 5.3 |  |
| Missing | 26 | 17.3 |  |
| Total | 150 | 100.0 | 100.0 |

The responses supported the fact that web sites are being used in one way or another for marketing objectives e.g., customer information, customer service, and marketing. Providing information to customers appeared to rank the highest.

The respondents were requested to indicate how much per month they had to pay for their web site service. The price ranged from $10 to $150,000 monthly. The majority of the respondents did not respond to the question. A total

of 19 responded with an average of one from each designated amount. The results did not provide a consensus, or even an average upon which to identify an approximation of monthly fees being paid by web site users. Therefore, none of the percentages appear to be valid.

Table 9 represents the responses to the question as to the company's plan for the use of the Internet as a marketing tool in the future. The majority indicated that they planned to use the Internet in the future. However, a significant number also did not respond to the question. In addition, a significant number indicated that they had no current plan for the use of the Internet. A small percentage indicated a plan to use at sometime during the next five years, but with no specific plans.

Table 9.

Use of the Internet and Future Plans

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| No Plan | 43 | 28.7 | 38.7 |
| Near future | 51 | 34.0 | 84.7 |
| In 5 years | 8 | 5.3 | 91.9 |
| Other | 8 | 5.3 | 99.1 |
| Missing | 40 | 26.0 | |
| Total | 150 | 100.0 | 100.0 |

Table 10 presents the responses to the question regarding the types of advertising currently being employed by the company. This was for the purpose of determining how the majority of respondents reached the market, and the percentage of companies that were depending heavily on the Internet to reach their markets. Although the use of newspapers, television and radio were primarily used, the results indicated a significant use of the Internet as a marketing tool.

Table 10.

Advertising Currently Employed

|  | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| None | 38 | 25.3 | 26.2 |
| Print | 34 | 22.7 | 49.7 |
| TV/Radio | 2 | 1.3 | 51.0 |
| Internet | 15 | 10.0 | 61.4 |
| Other | 8 | 5.3 | 66.9 |
| All the above | 12 | 8.0 | 75.2 |
| Only 2 & 3 | 7 | 4.7 | 80.0 |
| Only 2 & 4 | 29 | 19.3 |  |
| Missing | 5 | 3.3 |  |
| Total | 150 | 100.0 | 100.0 |

To establish a new web site agency it was important to determine how much a company would be willing to spend for the web site design. The questionnaire set forth a range of dollars from $100 to $20,000. Only a total of 18 responded with 132 choosing not to. From the responses it

is not possible to arrive at a consensus, or even an
average as to what they would be willing to spend on
design.

The same results were experienced in the question as
to how much they would be wiling to spend on upgrades as
well as management of the site. Due to the lack of
response it was not possible to determine an average, or
even an estimate.

Table 11 identifies the responses to the question as
to what type of web site service they would most likely
want to employ.

The majority of responses indicted the service of a
consultant, which reflects the view that within many
organizations management and employees may have little
experience with web sites and therefore have the greatest
need for those with expertise in the art.

Table 11.

Web Site Service Most Likely to Employ

|  | Frequency | Percent | Cumulative Percent |
| --- | --- | --- | --- |
| Consultant | 33 | 22.0 | 28.0 |
| Installation | 6 | 4.0 | 33.1 |
| Maintenance | 19 | 12.7 | 49.2 |
| None | 23 | 15.3 | 68.6 |
| Other | 19 | 12.7 | 84.7 |
| Only 1 & 3 | 18 | 12.0 | |
| Missing | 32 | 21.3 | |
| Total | 150 | 100.0 | 100.0 |

The next section of this chapter presents an analysis of Part II of the survey focusing on service and interest in using web sites as a marketing tool.

Table 12 reflects the responses to the question as to which service they were more likely to use. Eight services were indicated in the questionnaire.

Table 12.

Type of Service Organization Would Most Likely Use

| Service | VL | L | NO | U | VU | Missing |
|---|---|---|---|---|---|---|
| Building a web page | 57 | 44 | 16 | 11 | 10 | 12 |
| Managing a web page | 38 | 52 | 24 | 17 | 8 | 11 |
| Selling banner ads | 20 | 42 | 32 | 23 | 19 | 14 |
| Use 24 hour service | 43 | 33 | 30 | 18 | 17 | 9 |
| Taking customer orders | 34 | 41 | 31 | 16 | 13 | 15 |
| Provide technical assist | 30 | 44 | 24 | 15 | 24 | 13 |
| Change design | 29 | 52 | 25 | 20 | 13 | 11 |
| Integrate sound/music | 38 | 38 | 22 | 18 | 24 | 19 |

The majority of respondents indicated an interest in building a web site by responding very likely and likely. The majority also indicated that they would use a web site agent to manage their sites. Selling banner ads was likely to the majority, combining those who indicated very likely and likely. It was interesting to note that the majority would require 24-hour service, take orders, and provide technical assistance to change design periodically. Approximately one third would integrate sound and music in their sites.

It is important for an agency to know what would influence management of an organization in the selection of an outside service needed to support a web site. In this regard, nine different possible influences are indicated in Table 13 based on the respondent's opinion.

"Quality of service" ranked the highest followed by "reputation," "innovative ideas," and "cost of service." This indicates that the majority of those planning to implement a web site will be selective in their decision as to what type of agency they are looking for. The factor given the highest priority is quality of service that agencies need to be aware of.

Table 13.

Factors Influencing Choice of Agencies

| Service | VL | L | NO | U | VU | Missing |
|---------|----|----|----|----|----|---------|
| Reputation | 60 | 53 | 17 | 4 | 4 | 12 |
| Number of years in bus. | 40 | 54 | 32 | 10 | 2 | 12 |
| UAE Ownership | 30 | 43 | 49 | 9 | 7 | 12 |
| Cost of Service | 47 | 54 | 28 | 6 | 3 | 12 |
| Quality of service | 79 | 33 | 16 | 6 | 3 | 13 |
| Measurable performance | 44 | 53 | 25 | 12 | 1 | 15 |
| Artistic design concepts | 37 | 60 | 27 | 12 | 1 | 13 |
| Innovative ideas | 50 | 55 | 24 | 6 | 3 | 12 |
| Current customers | 37 | 58 | 27 | 9 | 5 | 14 |

Part III focuses on the respondents' opinions regarding web sites and the Internet in general. The objective was to identify the attitude of management

regarding web sites and the amount of knowledge they have

regarding the implementation and use of the sites.

In this section the respondents were asked to respond

according to their views indicting whether they Strongly

Agree (SA), Agree (A), have No Opinion (NO), Disagree (D),

or Strongly Disagree (SD). Table 14 reflects the responses

to the questions abbreviated in the table.

Table 14.

Part III.

| STATEMENT | SA | A | NO | D | SD | MISSING |
|---|---|---|---|---|---|---|
| 1. Sites require creativity | 85 | 48 | 8 | 2 | 1 | 6 |
| 2. Cost of web less than other media | 41 | 65 | 26 | 10 | 2 | 6 |
| 3. Web site reduce number of sales persons | 27 | 42 | 33 | 31 | 11 | 6 |
| 4. Provides 24-hour service. | 67 | 58 | 11 | 3 | 4 | 7 |
| 5. Marketing tool for UAE | 65 | 53 | 16 | 8 | 2 | 6 |
| 6. Sites can reflect culture of UAE. | 53 | 70 | 14 | 4 | 3 | 6 |
| 7. Sites can be designed within Islamic principles | 58 | 51 | 25 | 5 | 3 | 8 |
| 8. Web sites will not offend culture/religion | 58 | 52 | 22 | 6 | 3 | 9 |
| 9. Web sites is the way of business life | 66 | 68 | 6 | 1 | 2 | 7 |
| 10. No limitations as to what can be marketed. | 53 | 60 | 15 | 13 | 3 | 6 |
| 11. Products on web can be sold for lower prices. | 40 | 63 | 24 | 10 | 6 | 7 |

In general, based on the responses, the majority was familiar with web sites, and had an understanding of all involved in their content and used as a marketing tool. A detailed printout of the results can be found in Appendix B.

## Comments

At the end of the questionnaire, respondents were asked to comment about the survey, or web sites in general. The following are some of the comments that contribute to this study:

1. Web sites should be designed in both Arabic and the English language.

2. Increased competition should improve web sites.

3. Customer service is a major factor to build trust between buyer and supplier.

4. Quality of products and services being offered can play a major role in the use of web sites.

5. Companies must give privacy and security to influence customers to purchase over the Internet.

6. Web sites should include a significant amount of information for consumers since they have no opportunity to meet face-to-face.

7.  Companies need to be made aware of the benefits of using web sites as a marketing tool.

8.  Not many people in the UAE use credit cards. Other methods for making payment need to be considered, such as shipping products to be paid cash on delivery (COD).

## Summary

The purpose of the study was to identify the need for and interest in the use of the Internet and web sites as a marketing tool in companies currently doing business in the UAE. Only 14 percent of top firms in the UAE are involved in e-commerce, but 95 percent believe the Internet is an important business tool, according to recent surveys. However, with the private sector continuing to expand in the UAE it is believed that more companies will be forced to look to the Internet to expand their markets and to be more competitive in the marketplace.

Part I of the questionnaire was designed for the purpose of determining the current use of the Internet by companies in the UAE. This data pertains to research conducted to determine if there is a market for an

advertising agency in the UAE that specializes on the Internet and use of web sites.

From the responses received in the survey, many companies are using the Internet as a marketing tool and many currently have web sites. However, many companies lack the expertise in house and are using consultants and agencies to provide the service they require.

Part II of the questionnaire focused on the type of local service that an organization would avail themselves of considering creating a web site on the Internet. Respondents were asked to indicate their opinion according to: Very Likely (VL), Likely (L), No Opinion (NO), Unlikely (U), and Very Unlikely (VU).

The majority also indicated that they would manage their sites. The majority would require 24-hour service, take orders, provide technical assistance change design periodically, but only about one third would integrate sound and music in their sites. Nine factors were identified as possible influences on making the decision as to which outside services to purchase. Quality of service ranked the highest followed by reputation, innovative ideas and cost of service.

Part III focuses on the respondents opinions regarding web sites and the Internet in general. In this

section the respondents were asked to respond according to their views on various statements regarding the Internet in general. Respondents indicated they were familiar with web sites, and had an understanding of all involved in their content and use as a marketing tool.

The following chapter sets forth a business plan for establishing an Internet agency in the UAE.

## CHAPTER FIVE

## BUSINESS PLAN

### Introduction

As consumers shift their purchasing to the Internet, the business models that have defined traditional business for decades seem to be falling apart. Traditional company managers watch with increased discomfort as new Internet competitors that have never earned a penny go public, rewarding their founders with millions, even billions, of dollars. While the Internet's impact on business models varies from industry to industry, definite patterns have emerged. Taken as a whole, these patterns offer a valuable framework for thinking through how a company's financial performance will be affected by the transition to the Internet (Modahl, 2000).

Many companies that have no idea why they are online or are online only because their competitors are. This is one reason why many sites fail. To put the company ahead of the pack, a solid business plan is needed. There is no question but that a company should go online to promote marketing goals. Janal (2000) proposes ten essential steps toward creating a marketing plan on a web site. These are as follows:

1. Define the marketing mission by setting reasonable goals and objectives, - the first step in any successful venture. One you have goals, you can determine if the plan is working and take steps to improve results. Without goals, web sites tend to become a big cash drain with no visible signs of helping the company.
2. Gain cooperation from different departments in the company. Because a web site can affect sales, advertising, public relations, customer service, and product research, as well as investor relations, it is important for all departments to work in harmony to create a web site that helps the entire company.
3. Assign areas of responsibility. People and departments must know who will be responsible for each step of the plan, from design, implementation, and promotion to revisions.
4. Determine budgets.
5. Create marketing strategies that support the mission. Once you have a goal, you need messages that market the vision a reality.
6. Create the web from an artistic view to present the marketing materials in a friendly and efficient manner.
7. Connect to the Internet.
8. Promote the web site. Online promotions can take many forms.
9. Test and revise the effectiveness of the home page. You need to see if the messages are working.
10. The web allows you to move prospects into customers and customers into raving, lifelong fans. The Internet has a variety of tools to help management create one-to-one marketing relationships with customers that increase loyalty and repeat business. (p. 32-33)

Janal (2000) suggests that management should not set

unrealistic goals. Few successes have been achieved

overnight. He advises looking at the market - determine

how large it is, and then determine how it can be reached

in a cost-efficient way. Other issues need to be addressed

as well such as - "How much time will it take to achieve
set goals?" "How much money or energy will it take?"
Setting sights too high can mean failure, therefore the
goals should be reasonable, and capable of achieving.

Advantages

Janal (2000) states that doing business online costs
less compared to opening a store on Main Street. Merchants
can pass the savings on to customers. Another advantage is
that one can visit web sties of competitors and find out
what new products they are offering.

This is a significant advantage because the Internet
has made consumer businesses more competitive. The
Internet has stripped away many of the barriers to
competition that businesses used to take for granted ---
barriers such as geographic separation, lack of
information, and poor communication. While the idea that
the Internet intensifies competition is no surprise, it
indicates that as the Internet matures, consumer markets
must become far more fluid and responsive to changes in
supply and demand than they have been in the past (Modahl,
2000).

Another advantage is that it is possible to establish
a one-to-one relationship with customers and prospects
using e-mail. This provides an opportunity to send

messages and advertisements to customers who request them, and also responding quickly to customer complaints and other needs.

The web site also offers many opportunities to advertise products and service and monitor the site from time to time to determine its effectiveness. Few responses may indicate the need to make changes.

## Creating Company Value

Modahl (2000) states that the early Internet was overrun with nearly identical companies. If the company intends to win in the long run it must develop brand based on consumer experiences, control physical distribution and leverage consumer information.

### Branding

According to Modahl (2000) branding has been the most powerful means of separating a product from scores of undifferential suppliers. The less differentiated products are the more important brand identity becomes. The basic aspect of consumer brands creates both a challenge and an opportunity on the Internet. The challenge is that the Internet will not allow a one-way presentation of the brand image, instead, the brand merges as the sum of two-way communication experiences that the consumer has

on-line. The opportunity is that a brand built on two-way experiences is more powerful and lasting than any projected image. Over time, each consumer accumulates experiences about the product and form opinions about the brand.

According to Modahl (2000), the challenge is to create brand experiences (positive) that are reinforcing across five distinct areas:

- On the web site - its web site is its single most valuable asset.

- In the store - web sites that lack consistency between online and offline stores, create problems, as that which is offered in a store and on the Internet must be the same. It is recommended that the web not include many products to create confusion in the mind of the consumer.

- Personal communication - When consumers order online they want to know if they order was received. Companies that build a good experience tend to over-communicate, confirming orders, shipment, and billing by e-mail.

- Over the Internet - the web site must be located where the consumer expects it to be. One must

know who links with the company, how the company performs on search sites, and who is selling the same products, even products in the company's own name.

- Off the Internet - from a consumer's point of view, the company you present online should be the same one they know offline.

## Control Physical Distribution

Superior physical delivery is one of the most important strategic advantages an Internet business can have. Almost anyone can take an order, but to process it well and to get the right product into the hands of the consumer today - not in three to five days, will be rare. Excellent product delivery is a critical link in the brand experience for consumers on the Internet. Building a distribution network that gets everything from shoes to fresh fruit off the Internet and into consumers' homes is not easy. However, with overnight delivery so popular today, in most cases, if the item is in stock, it could be sent out on the same day of the order.

## Leverage Consumer Information

Every day the Internet generates a large amount of new data. Getting information from the Internet is very easy, but putting it to valuable use is not. Personal data

is the most sensitive and should be protected by the seller. Personal information can create problems unless it is handled with the utmost care. Modahl (2000) states "companies should think of personal information and collective data as the church and state of Internet business. Keep the two separate" (p. 140).

As the Internet matures it will change the competitive dynamics of most consumer industries quite dramatically. To win in this environment, companies must build a critical mass of customers and enough technology know-how to respond to current demand as it fluctuates. This means investing in intangible assets, particularly the sales distribution channels that will build the customer base and the technology that will respond to customers in order to create company value (Modahl, 2000).

## Banner Ads

To get more people to visit a web site is the use of Banner Ads. These ads are advertisements that companies buy and place on other companies' advertising vehicles, such as search engines, chat rooms, online magazines, and web sites. The companies selling advertising space are called "publishers" and the companies that buy the ads are "advertisers" (Janal, 2000).

Because they are rectangular in shape they are called "banners." A full banner is 468 x 60 pixels, other are smaller in size. The smallest is 88 x 31 pixels called a micro button. Banner ads can display a call to action and link to a specified web page that contains more information. Interactive banners have pull-down boxes that let people select exactly what information they want to see (Janal, 2000).

Although banner ads offer the benefit of attracting customers to the web site, there are criticisms as well. When there are many banners on a web site, the individual has a tendency to filter them out mentally and may not even see them much less read them. If they do see them they may not actually click on it to see what it is about.

Janal (2000) suggests that to make the ad more attractive and noticeable, the following strategy should be used:

- Target the ad to the desired audience.
- Pose questions - do not just make statements or show pretty pictures. Use questions - they initiate an interaction with the banner by acting as a "teaser." Examples are: "Looking for free software? Have you seen...?"

- Use bright colors - helps attract a user's eye blue, green, and yellow work best, while white, red and black are less effective.

- Use animation - helps to catch a user's eye, use of movement grabs attention more effectively than static banners by 25 percent.

- Call to action - Simple phrases such as "Click here," "Visit Now," and "Enter Here," tends to improve response rates by 15 percent. These should be strategically placed in the ad, preferably on the right side as this is where the eye will be drawn.

- Avoid banner burnout - After seeing the banner several times, it may no longer be effective and may need to be modified (Janal, 2000).

For banner ads to be effective, certain words are more effective than others. Example, - offer a free report, a free download, a free subscription, and "win" because contests are big on the Internet (Janal, 2000).

## Summary

A business plan is important to any new venture. For many managers, marketing on the Internet is a new venture, and a business plan is vital to success. The main

objective is to create company value in the mind of the prospective consumer. It is important to set reasonable goals and objectives, gain cooperation from the whole company, assign areas of responsibilities, set budgets, create the marketing strategies that support the mission, connect to the Internet, promote the web site, test effectiveness, and move prospects into customers. Other important factors include controlling physical distribution, and leveraging consumer information.

Branding is also necessary for creating company value as many customers rely on a brand name in making a buying decisions. Consideration can also be given to the use of banner ads, which has become very popular today.

The following chapter is a brief summary and conclusion of this research study.

# CHAPTER SIX

## SUMMARY AND CONCLUSION

### Summary

The subject selected for this research study was to

identify the strategies to use to establish an Internet

marketing agency in the UAE that offers advertising

assistance via web sites to companies doing business in

the country. The UAE, compared to many other countries, is

very small. Its geographic location and discovery of oil

have enabled the country to develop economically and

modernize. The private sector has significantly expanded

making the UAE one of the largest commercial centers in

the Middle East.

To further expand its markets it is believed that

many companies, large and small, will benefit from using

the Internet as a marketing tool. Today, companies all

over the world have web sites to advertise their products

and services. Although some companies in the UAE are

currently using web sites for promoting their products,

others have not primarily due lack of advertising agencies

in the UAE that have expertise in this area.

Before making the decision to establish an

advertising agency in the UAE, a research study was needed

to identify the potential market as well as the needs of the market. The purpose of the study was to identify the need for and interest in the use of the Internet and web sites as a marketing tool in companies currently dong business in the UAE.

Following a review of the Internet and the current economic status of the UAE, a survey was taken of 150 men in business and industry in the UAE to determine if there is a need for an advertising agency with Internet expertise, and if such market does exist. Although many businessmen are familiar with the Internet, that does not always mean that they will also be informed as to the use of web sites as a management tool. The results of the survey indicated that they were fully aware of the Internet and the many advantages it offers as a marketing tool.

A significant percentage of respondents indicated that they either had a web site or that they were planning to set up one within the near future and within five years. Since this was the response from the majority of respondents, it is the view that most managers have knowledge about the Internet, but the majorities do not have sufficient talent in their organization to design and implement a site on the Internet.

## Conclusion

The results of this study conclude that the private sector in the UAE is continuing to grow and many companies are entering the global market. The Internet is not new to companies in the UAE, but many have not taken steps to design web sites that will expand their market even internationally. In order for the UAE to continue on its road to growth and expansion in the international as well as domestic market, marketing on the Internet will be mandatory. Companies that have a web site have a competitive edge over those companies that do not. Since sufficient time has passed and there has been a significant experience on the Internet, now is the time for companies to create web sites as this is the marketing strategy that will continue to increase.

The main problem to date has been the limited number of professionals that have expertise in this area because it requires a background in international marketing, advertising, design, graphics, etc. With the expertise being available in the country, more companies will have access to such services. Although web sites alone will not guarantee continued industrial and business growth in the UAE, it is believed that using the web as a marketing tool

will enable many companies to offer their products to markets all over the world.

APPENDIX A

QUESTIONNAIRE

# QUESTIONNAIRE

The following questionnaire has been prepared for the purpose of conducting research for a thesis to meet the requirements for a master's degree in integrated marketing communication. The subject selected is the feasibility of establishing an Internet Advertising Agency in the UAE. The following questions are designed provide data for this study. Please indicate your opinion and experience regarding use of the Internet as a marketing tool. Your responses will be confidential. Thank you.

**PART 1:**

1. Please indicate the business or industry in which your company is involved. Circle the number that closely resembles your response.
   1. Manufacturing
   2. Retail
   3. Services
   4. Government
   5. Other. Please specify: :_____

2. What is your position in the company:
   1. CEO, President, CFO, etc.
   2. Marketing Manager
   3. Supervisor
   4. Manager, MIS
   5. Other. Please specify: _____

3. Which of the following best describes the scope of our business:
   1. Domestic only
   2. Global
   3. Regional _____
   4. Middle East only
   5. Other. Please specify: _____

4. Does your company currently use the Internet: 1-Yes ____ 2-No ____

5. If yes, which of the following uses of the Internet does your company make at this time on the Internet.
   1. Marketing
   2. Company Web sites
   3. Internet within the organization
   4. Networking with branches, subsidiaries, suppliers
   5. Other. Please specify: _____
   6. All of he above
   7. Only 2 & 3
   8. Only 2 & 4
   9. Only 2, 3 & 4

6. If yes, who is in charge of the online part of your business?
   1. Marketing Manger
   2. MIS Manger
   3. Other. Please specify: _____

7. If a company Web site is established which of the following best describes the management of the Web site:
   1. A Webmaster is employed by the company
   2. Web site is designed by the company's MIS department
   3. An outside consultant is used to manage web sites
   4. You employ an advertising agency with Web experience to manage your web site.
   5. Other. Please specify: _____

8. I f your company has a Web site, which of the following best describes its primary purpose?
   1. Customer information
   2. Customer service
   3. Marketing
   4. Revenue producing
   5. Other. Please specify: _____
   6. All of the above.

9. Approximately how much per month does your Web site cost? _____

10. If you or your company do not currently using the Internet as a marketing tool, what are the future plans for doing so in your company?
    1. No plans
    2. Plan to use it in the near future
    3. Plan to use it in five years
    4. Other. Please specify: _____

11. Please indicate the types of advertising currently being employed to market your products.
    1. None
    2. Newspapers
    3. Television/Radio
    4. Internet
    5. Other. Please indicate: _____
    6. All of the above

12. If your company were to establish its own Web site, how much would you be willing to spend on:
    1. Design :_____
    2. Upgrades: _____
    3. Management of the site _____

13. What type of Web site service would you most likely want to employ?
  1. Consultant
  2. Installation
  3. Maintenance
  4. None
  5. Other
  6. 1 & 3 only

**PART II.**

If a local service were to provide web designed e-commerce service in the UAE:

Use the following guideline and circle the response that closely resembles your response.
Scale: 1-Very Likely 2-Likely 3-No Opinion 4-Unlikely 5-Very Unlikely

  A. How likely are you to use each of these services?
  1. Building a web page on the Internet.      1  2  3  4  5
  2. Managing a web page on the Internet        1  2  3  4  5
  3. Selling banner ads                          1  2  3  4  5
  4. 24 Hour customer service                    1  2  3  4  5
  5. Taking customer orders                      1  2  3  4  5
  6. Provide customer with technical assistance  1  2  3  4  5
  7. Changing design of site on a periodic basis 1  2  3  4  5
  8. Integration of sound and music              1  2  3  4  5

  B. If you were to utilize an outside service for design and service, please indicate what factors would influence your choice of a web design and e-commerce service media.
  1. Reputation                  1  2  3  4  5
  2. Number of years in business 1  2  3  4  5
  3. UAE ownership               1  2  3  4  5
  4. Cost of service             1  2  3  4  5
  5. Overall quality of service  1  2  3  4  5
  6. Measurable performance      1  2  3  4  5
  7. Artistic design concepts    1  2  3  4  5
  8. Having innovative ideas     1  2  3  4  5
  9. Current customers           1  2  3  4  5

**PART III:**

For each of the items below, please indicate the level of your agreement or disagreement- SA - strongly agree; A -agree; N no opinion; D - disagree, SD, strongly disagree. Please circle the letters that best corresponds with your response.

  1. An effective Web site requires extensive
     creativity and clarity.                   SA  A  N  D  SD

  2. The cost for Internet marketing is less than
     what would be spent for other media.      SA  A  N  D  SD

  3. The implementation of a Web site reduces
     the number of sales people needed.        SA  A  N  D  SD

4. Web sites provide a 24 hour service to customers and potential customers.      SA   A   N   D   SD

5. The use of the Internet as a marketing tool will significantly contribute to the economic growth of the UAE.      SA   A   N   D   SD

6. Web sites can be designed to reflect the culture of the UAE.      SA   A   N   D   SD

7. Web sites can be designed according to the principles of Islam.      SA   A   N   D   SD

8. Web sites, when properly designed will not offend the culture or religion.      SA   A   N   D   SD

9. Marketing products on the Internet is becoming the way of business for many companies.      SA   A   N   D   SD

10. There are no limitations as to what can be marketed on the internet.      SA   A   N   D   SD

11. Products on the Internet can be sold at lower prices.      SA   A   N   D   SD

## ADDITIONAL COMMENTS

Do you have any thoughts or information on the subject of Internet use in the UAE that you could share? Please use the lines below to share any comments, issues, or concerns that would benefit the study.

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

Thank you


Ahmed Khouri

APPENDIX B

FREQUENCY TABLE

# Frequency

| | Valid | Missing |
|---|---|---|
| Please indicate the business or industry in which your company is involved | 150 | 0 |
| What is your position in the company? | 148 | 2 |
| Which of the following best describes the scope of your business? | 150 | 0 |
| Does your company currently use the internet? | 150 | 0 |
| If yes, which of the following uses of the Internet does your company make at this time on the Internet. | 134 | 16 |
| If yes, who is in charge of the online part of your business? | 120 | 30 |
| If you company has a Web site, which of the following best describes the management of the Web site? | 124 | 26 |
| If your company has a Web site, which of the following best describes its primary purpose? | 124 | 26 |
| Approximately how much per month does your Web site cost? | 18 | 132 |
| If you or your company do not use the Internet as a marketing tool, what is the future plans for doing so in your company? | 111 | 39 |
| Please indicate the types of advertising currently being employed to make your products? | 145 | 5 |
| How much are you willing to spend on design? | 18 | 132 |
| How much are you willing to spend on upgrades? | 18 | 132 |
| How much are you willing to spend on management of the site? | 18 | 132 |
| What type of Web site service would you most likely want to employ? | 118 | 32 |
| How likely building a web page on the Internet? | 138 | 12 |
| How likely managing a web page on the Internet? | 139 | 11 |
| How likely selling banner Ad? | 136 | 14 |
| How likely are you to use 24 hour customer service? | 141 | 9 |
| How likely taking customer orders? | 135 | 15 |
| How likely are you to provide customer with technical assistance? | 137 | 13 |
| How likely changing design of site on a periodic basis? | 139 | 11 |
| How likely are you to use integration of sound and music? | 140 | 10 |
| Reputation | 138 | 12 |
| Number of years in business | 138 | 12 |
| UAE ownership | 138 | 12 |
| Cost of service | 138 | 12 |
| Overall quality of service | 137 | 13 |
| Measurable performance | 135 | 15 |
| Artistic design concepts | 137 | 13 |
| Having innovative ideas | 138 | 12 |
| Current customers | 136 | 14 |
| An effective Web site requires extensive creativity and clarity. | 144 | 6 |
| The cost for Internet marketing is less than what would be spent for other media. | 144 | 6 |
| The implementation of a Web site reduces the number of sales people needed. | 144 | 6 |
| Web sites provide a 24 hour service to customers and potential customers. | 143 | 7 |
| The use of the Internet as a marketing tool will significantly contribute to the economic growth. | 144 | 6 |
| Web sites can be designed to reflect the culture of the UAE. | 144 | 6 |
| Web sites can be designed according to the principles of Islam. | 142 | 8 |
| Web sites, when properly designed will not offend the culture or religion. | 141 | 9 |
| Marketing products on the Internet is becoming the way of business for many companies. | 143 | 7 |
| There are no limitations as to what can be marketed on the Internet. | 144 | 6 |
| Products on the Internet can be sold at lower prices. | 143 | 7 |

# Frequency Table

**lease indicate the business or industry in which your company is involve**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Manufacturing | 17 | 11.3 | 11.3 | 11.3 |
| | Retail | 12 | 8.0 | 8.0 | 19.3 |
| | Services | 29 | 19.3 | 19.3 | 38.7 |
| | Government | 40 | 26.7 | 26.7 | 65.3 |
| | Other | 52 | 34.7 | 34.7 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |

**What is your position in the company?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | CEO, President, CFO, etc | 7 | 4.7 | 4.7 | 4.7 |
| | Marketing Manager | 12 | 8.0 | 8.1 | 12.8 |
| | Supervisor | 23 | 15.3 | 15.5 | 28.4 |
| | Manager, MIS | 15 | 10.0 | 10.1 | 38.5 |
| | Other | 91 | 60.7 | 61.5 | 100.0 |
| | Total | 148 | 98.7 | 100.0 | |
| Missing | System | 2 | 1.3 | | |
| Total | | 150 | 100.0 | | |

**Which of the following best describes the scope of your business?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Domestic only | 52 | 34.7 | 34.7 | 34.7 |
| | Global | 53 | 35.3 | 35.3 | 70.0 |
| | Regional | 9 | 6.0 | 6.0 | 76.0 |
| | Middle East only | 28 | 18.7 | 18.7 | 94.7 |
| | Other | 8 | 5.3 | 5.3 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |

**Does your company currently use the internet?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Yes | 132 | 88.0 | 88.0 | 88.0 |
| | No | 15 | 10.0 | 10.0 | 98.0 |
| | 4 | 1 | .7 | .7 | 98.7 |
| | 7 | 1 | .7 | .7 | 99.3 |
| | 9 | 1 | .7 | .7 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |

**If yes, which of the following uses of the Internet does your company make at this time on the Internet.**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Marketing | 17 | 11.3 | 12.7 | 12.7 |
| | Company Web sites | 37 | 24.7 | 27.6 | 40.3 |
| | Internet with the organization | 20 | 13.3 | 14.9 | 55.2 |
| | Networking with branches, subsidiaries, suppliers | 15 | 10.0 | 11.2 | 66.4 |
| | Other | 4 | 2.7 | 3.0 | 69.4 |
| | All of the above | 16 | 10.7 | 11.9 | 81.3 |
| | Only 2 & 3 | 14 | 9.3 | 10.4 | 91.8 |
| | Only 2 & 4 | 4 | 2.7 | 3.0 | 94.8 |
| | Only 2 & 3 & 4 | 7 | 4.7 | 5.2 | 100.0 |
| | Total | 134 | 89.3 | 100.0 | |
| Missing | System | 16 | 10.7 | | |
| Total | | 150 | 100.0 | | |

**If yes, who is in charge of the online part of your business?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Marketing manager | 31 | 20.7 | 25.8 | 25.8 |
| | MIS manager | 40 | 26.7 | 33.3 | 59.2 |
| | Other | 49 | 32.7 | 40.8 | 100.0 |
| | Total | 120 | 80.0 | 100.0 | |
| Missing | System | 30 | 20.0 | | |
| Total | | 150 | 100.0 | | |

**If you company has a Web site, which of the following best describes the management of the Web site?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | A Webmaster is employed by the company | 25 | 16.7 | 20.2 | 20.2 |
| | Web site designed by the company's MIS department | 52 | 34.7 | 41.9 | 62.1 |
| | An outside consultant is used to manage Web sites | 24 | 16.0 | 19.4 | 81.5 |
| | You employ an advertising agency with Web experience to mana | 14 | 9.3 | 11.3 | 92.7 |
| | Other | 9 | 6.0 | 7.3 | 100.0 |
| | Total | 124 | 82.7 | 100.0 | |
| Missing | System | 26 | 17.3 | | |
| Total | | 150 | 100.0 | | |

**If your company has a Web site, which of the following best describes its primary purpose?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Customer information | 37 | 24.7 | 29.8 | 29.8 |
| | Customer service | 20 | 13.3 | 16.1 | 46.0 |
| | Marketing | 23 | 15.3 | 18.5 | 64.5 |
| | Revenue producing | 5 | 3.3 | 4.0 | 68.5 |
| | Other | 16 | 10.7 | 12.9 | 81.5 |
| | All of the above | 3 | 2.0 | 2.4 | 83.9 |
| | Only 1 & 2 | 6 | 4.0 | 4.8 | 88.7 |
| | Only 1 & 3 | 6 | 4.0 | 4.8 | 93.5 |
| | Only1 & 2 & 3 | 8 | 5.3 | 6.5 | 100.0 |
| | Total | 124 | 82.7 | 100.0 | |
| Missing | System | 26 | 17.3 | | |
| Total | | 150 | 100.0 | | |

## Approximately how much per month does your Web site cost?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | $10 | 1 | .7 | 5.6 | 5.6 |
| | $22 | 1 | .7 | 5.6 | 11.1 |
| | $40 | 1 | .7 | 5.6 | 16.7 |
| | $100 | 2 | 1.3 | 11.1 | 27.8 |
| | $120 | 1 | .7 | 5.6 | 33.3 |
| | $300 | 1 | .7 | 5.6 | 38.9 |
| | $367 | 1 | .7 | 5.6 | 44.4 |
| | $1,000 | 2 | 1.3 | 11.1 | 55.6 |
| | $1,600 | 1 | .7 | 5.6 | 61.1 |
| | $1,666 | 1 | .7 | 5.6 | 66.7 |
| | $2,000 | 2 | 1.3 | 11.1 | 77.8 |
| | $2,500 | 1 | .7 | 5.6 | 83.3 |
| | $20,000 | 2 | 1.3 | 11.1 | 94.4 |
| | $150,000 | 1 | .7 | 5.6 | 100.0 |
| | Total | 18 | 12.0 | 100.0 | |
| Missing | System | 132 | 88.0 | | |
| Total | | 150 | 100.0 | | |

## If you or your company do not use the Internet as a marketing tool, what is the future plans for doing so in your company?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | No plan | 43 | 28.7 | 38.7 | 38.7 |
| | Plan to use it in the near future | 51 | 34.0 | 45.9 | 84.7 |
| | Plan to use it in the five years | 8 | 5.3 | 7.2 | 91.9 |
| | Other | 8 | 5.3 | 7.2 | 99.1 |
| | 5 | 1 | .7 | .9 | 100.0 |
| | Total | 111 | 74.0 | 100.0 | |
| Missing | System | 39 | 26.0 | | |
| Total | | 150 | 100.0 | | |

**Please indicate the types of advertising currently being employed to make your products?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | None | 38 | 25.3 | 26.2 | 26.2 |
| | Print - Newspapers, magazines, etc | 34 | 22.7 | 23.4 | 49.7 |
| | Television/Tadio | 2 | 1.3 | 1.4 | 51.0 |
| | Internet | 15 | 10.0 | 10.3 | 61.4 |
| | Other | 8 | 5.3 | 5.5 | 66.9 |
| | All of the above | 12 | 8.0 | 8.3 | 75.2 |
| | Only 2 & 3 | 7 | 4.7 | 4.8 | 80.0 |
| | Only 2 & 4 | 29 | 19.3 | 20.0 | 100.0 |
| | Total | 145 | 96.7 | 100.0 | |
| Missing | System | 5 | 3.3 | | |
| Total | | 150 | 100.0 | | |

**How much are you willing to spend on design?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | $100 | 1 | .7 | 5.6 | 5.6 |
| | $150 | 1 | .7 | 5.6 | 11.1 |
| | $500 | 2 | 1.3 | 11.1 | 22.2 |
| | $835 | 1 | .7 | 5.6 | 27.8 |
| | $1,000 | 2 | 1.3 | 11.1 | 38.9 |
| | $1,835 | 1 | .7 | 5.6 | 44.4 |
| | $2,000 | 2 | 1.3 | 11.1 | 55.6 |
| | $3,000 | 1 | .7 | 5.6 | 61.1 |
| | $5,000 | 2 | 1.3 | 11.1 | 72.2 |
| | $8,334 | 2 | 1.3 | 11.1 | 83.3 |
| | $10,000 | 2 | 1.3 | 11.1 | 94.4 |
| | $20,000 | 1 | .7 | 5.6 | 100.0 |
| | Total | 18 | 12.0 | 100.0 | |
| Missing | System | 132 | 88.0 | | |
| Total | | 150 | 100.0 | | |

## How much are you willing to spend on upgrades?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | $100 | 1 | .7 | 5.6 | 5.6 |
| | $185 | 1 | .7 | 5.6 | 11.1 |
| | $200 | 3 | 2.0 | 16.7 | 27.8 |
| | $250 | 1 | .7 | 5.6 | 33.3 |
| | $400 | 1 | .7 | 5.6 | 38.9 |
| | $500 | 2 | 1.3 | 11.1 | 50.0 |
| | $700 | 1 | .7 | 5.6 | 55.6 |
| | $800 | 1 | .7 | 5.6 | 61.1 |
| | $1,000 | 2 | 1.3 | 11.1 | 72.2 |
| | $1,500 | 1 | .7 | 5.6 | 77.8 |
| | $1,667 | 1 | .7 | 5.6 | 83.3 |
| | $3,334 | 1 | .7 | 5.6 | 88.9 |
| | $5,000 | 1 | .7 | 5.6 | 94.4 |
| | $40,000 | 1 | .7 | 5.6 | 100.0 |
| | Total | 18 | 12.0 | 100.0 | |
| Missing | System | 132 | 88.0 | | |
| Total | | 150 | 100.0 | | |

## How much are you willing to spend on management of the site?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | $0 | 3 | 2.0 | 16.7 | 16.7 |
| | $35 | 1 | .7 | 5.6 | 22.2 |
| | $100 | 1 | .7 | 5.6 | 27.8 |
| | $400 | 1 | .7 | 5.6 | 33.3 |
| | $500 | 5 | 3.3 | 27.8 | 61.1 |
| | $700 | 1 | .7 | 5.6 | 66.7 |
| | $1,000 | 2 | 1.3 | 11.1 | 77.8 |
| | $2,000 | 1 | .7 | 5.6 | 83.3 |
| | $4,167 | 1 | .7 | 5.6 | 88.9 |
| | $5,000 | 1 | .7 | 5.6 | 94.4 |
| | $10,000 | 1 | .7 | 5.6 | 100.0 |
| | Total | 18 | 12.0 | 100.0 | |
| Missing | System | 132 | 88.0 | | |
| Total | | 150 | 100.0 | | |

## What type of Web site service would you most likely want to employ?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Consultant | 33 | 22.0 | 28.0 | 28.0 |
| | Installation | 6 | 4.0 | 5.1 | 33.1 |
| | Maintenance | 19 | 12.7 | 16.1 | 49.2 |
| | None | 23 | 15.3 | 19.5 | 68.6 |
| | Other | 19 | 12.7 | 16.1 | 84.7 |
| | Only 1 & 3 | 18 | 12.0 | 15.3 | 100.0 |
| | Total | 118 | 78.7 | 100.0 | |
| Missing | System | 32 | 21.3 | | |
| Total | | 150 | 100.0 | | |

## How likely building a web page on the Internet?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 57 | 38.0 | 41.3 | 41.3 |
| | Likely | 44 | 29.3 | 31.9 | 73.2 |
| | No opinion | 16 | 10.7 | 11.6 | 84.8 |
| | Unlikely | 11 | 7.3 | 8.0 | 92.8 |
| | Very unlikely | 10 | 6.7 | 7.2 | 100.0 |
| | Total | 138 | 92.0 | 100.0 | |
| Missing | System | 12 | 8.0 | | |
| Total | | 150 | 100.0 | | |

## How likely managing a web page on the Internet?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 38 | 25.3 | 27.3 | 27.3 |
| | Likely | 52 | 34.7 | 37.4 | 64.7 |
| | No opinion | 24 | 16.0 | 17.3 | 82.0 |
| | Unlikely | 17 | 11.3 | 12.2 | 94.2 |
| | Very unlikely | 8 | 5.3 | 5.8 | 100.0 |
| | Total | 139 | 92.7 | 100.0 | |
| Missing | System | 11 | 7.3 | | |
| Total | | 150 | 100.0 | | |

## How likely selling banner Ad?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 20 | 13.3 | 14.7 | 14.7 |
| | Likely | 42 | 28.0 | 30.9 | 45.6 |
| | No opinion | 32 | 21.3 | 23.5 | 69.1 |
| | Unlikely | 23 | 15.3 | 16.9 | 86.0 |
| | Very unlikely | 19 | 12.7 | 14.0 | 100.0 |
| | Total | 136 | 90.7 | 100.0 | |
| Missing | System | 14 | 9.3 | | |
| Total | | 150 | 100.0 | | |

## How likely are you to use 24 hour customer service?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 43 | 28.7 | 30.5 | 30.5 |
| | Likely | 33 | 22.0 | 23.4 | 53.9 |
| | No opinion | 30 | 20.0 | 21.3 | 75.2 |
| | Unlikely | 18 | 12.0 | 12.8 | 87.9 |
| | Very unlikely | 17 | 11.3 | 12.1 | 100.0 |
| | Total | 141 | 94.0 | 100.0 | |
| Missing | System | 9 | 6.0 | | |
| Total | | 150 | 100.0 | | |

## How likely taking customer orders?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 34 | 22.7 | 25.2 | 25.2 |
| | Likely | 41 | 27.3 | 30.4 | 55.6 |
| | No opinion | 31 | 20.7 | 23.0 | 78.5 |
| | Unlikely | 16 | 10.7 | 11.9 | 90.4 |
| | Very unlikely | 13 | 8.7 | 9.6 | 100.0 |
| | Total | 135 | 90.0 | 100.0 | |
| Missing | System | 15 | 10.0 | | |
| Total | | 150 | 100.0 | | |

## How likely are you to provide customer with technical assistance?

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 30 | 20.0 | 21.9 | 21.9 |
|  | Likely | 44 | 29.3 | 32.1 | 54.0 |
|  | No opinion | 24 | 16.0 | 17.5 | 71.5 |
|  | Unlikely | 15 | 10.0 | 10.9 | 82.5 |
|  | Very unlikely | 24 | 16.0 | 17.5 | 100.0 |
|  | Total | 137 | 91.3 | 100.0 |  |
| Missing | System | 13 | 8.7 |  |  |
| Total |  | 150 | 100.0 |  |  |

## How likely changing design of site on a periodic basis?

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 29 | 19.3 | 20.9 | 20.9 |
|  | Likely | 52 | 34.7 | 37.4 | 58.3 |
|  | No opinion | 25 | 16.7 | 18.0 | 76.3 |
|  | Unlikely | 20 | 13.3 | 14.4 | 90.6 |
|  | Very unlikely | 13 | 8.7 | 9.4 | 100.0 |
|  | Total | 139 | 92.7 | 100.0 |  |
| Missing | System | 11 | 7.3 |  |  |
| Total |  | 150 | 100.0 |  |  |

## How likely are you to use integration of sound and music?

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 38 | 25.3 | 27.1 | 27.1 |
|  | Likely | 38 | 25.3 | 27.1 | 54.3 |
|  | No opinion | 22 | 14.7 | 15.7 | 70.0 |
|  | Unlikely | 18 | 12.0 | 12.9 | 82.9 |
|  | Very unlikely | 24 | 16.0 | 17.1 | 100.0 |
|  | Total | 140 | 93.3 | 100.0 |  |
| Missing | System | 10 | 6.7 |  |  |
| Total |  | 150 | 100.0 |  |  |

**Reputation**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 60 | 40.0 | 43.5 | 43.5 |
| | Likely | 53 | 35.3 | 38.4 | 81.9 |
| | No opinion | 17 | 11.3 | 12.3 | 94.2 |
| | Unlikely | 4 | 2.7 | 2.9 | 97.1 |
| | Very unlikely | 4 | 2.7 | 2.9 | 100.0 |
| | Total | 138 | 92.0 | 100.0 | |
| Missing | System | 12 | 8.0 | | |
| Total | | 150 | 100.0 | | |

**Number of years in business**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 40 | 26.7 | 29.0 | 29.0 |
| | Likely | 54 | 36.0 | 39.1 | 68.1 |
| | No opinion | 32 | 21.3 | 23.2 | 91.3 |
| | Unlikely | 10 | 6.7 | 7.2 | 98.6 |
| | Very unlikely | 2 | 1.3 | 1.4 | 100.0 |
| | Total | 138 | 92.0 | 100.0 | |
| Missing | System | 12 | 8.0 | | |
| Total | | 150 | 100.0 | | |

**UAE ownership**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 30 | 20.0 | 21.7 | 21.7 |
| | Likely | 43 | 28.7 | 31.2 | 52.9 |
| | No opinion | 49 | 32.7 | 35.5 | 88.4 |
| | Unlikely | 9 | 6.0 | 6.5 | 94.9 |
| | Very unlikely | 7 | 4.7 | 5.1 | 100.0 |
| | Total | 138 | 92.0 | 100.0 | |
| Missing | System | 12 | 8.0 | | |
| Total | | 150 | 100.0 | | |

**Cost of service**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 47 | 31.3 | 34.1 | 34.1 |
| | Likely | 54 | 36.0 | 39.1 | 73.2 |
| | No opinion | 28 | 18.7 | 20.3 | 93.5 |
| | Unlikely | 6 | 4.0 | 4.3 | 97.8 |
| | Very unlikely | 3 | 2.0 | 2.2 | 100.0 |
| | Total | 138 | 92.0 | 100.0 | |
| Missing | System | 12 | 8.0 | | |
| Total | | 150 | 100.0 | | |

**Overall quality of service**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 79 | 52.7 | 57.7 | 57.7 |
| | Likely | 33 | 22.0 | 24.1 | 81.8 |
| | No opinion | 16 | 10.7 | 11.7 | 93.4 |
| | Unlikely | 6 | 4.0 | 4.4 | 97.8 |
| | Very unlikely | 3 | 2.0 | 2.2 | 100.0 |
| | Total | 137 | 91.3 | 100.0 | |
| Missing | System | 13 | 8.7 | | |
| Total | | 150 | 100.0 | | |

**Measurable performance**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 44 | 29.3 | 32.6 | 32.6 |
| | Likely | 53 | 35.3 | 39.3 | 71.9 |
| | No opinion | 25 | 16.7 | 18.5 | 90.4 |
| | Unlikely | 12 | 8.0 | 8.9 | 99.3 |
| | Very unlikely | 1 | .7 | .7 | 100.0 |
| | Total | 135 | 90.0 | 100.0 | |
| Missing | System | 15 | 10.0 | | |
| Total | | 150 | 100.0 | | |

## Artistic design concepts

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 37 | 24.7 | 27.0 | 27.0 |
|  | Likely | 60 | 40.0 | 43.8 | 70.8 |
|  | No opinion | 27 | 18.0 | 19.7 | 90.5 |
|  | Unlikely | 12 | 8.0 | 8.8 | 99.3 |
|  | Very unlikely | 1 | .7 | .7 | 100.0 |
|  | Total | 137 | 91.3 | 100.0 |  |
| Missing | System | 13 | 8.7 |  |  |
| Total |  | 150 | 100.0 |  |  |

## Having innovative ideas

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 50 | 33.3 | 36.2 | 36.2 |
|  | Likely | 55 | 36.7 | 39.9 | 76.1 |
|  | No opinion | 24 | 16.0 | 17.4 | 93.5 |
|  | Unlikely | 6 | 4.0 | 4.3 | 97.8 |
|  | Very unlikely | 3 | 2.0 | 2.2 | 100.0 |
|  | Total | 138 | 92.0 | 100.0 |  |
| Missing | System | 12 | 8.0 |  |  |
| Total |  | 150 | 100.0 |  |  |

## Current customers

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Very likely | 37 | 24.7 | 27.2 | 27.2 |
|  | Likely | 58 | 38.7 | 42.6 | 69.9 |
|  | No opinion | 27 | 18.0 | 19.9 | 89.7 |
|  | Unlikely | 9 | 6.0 | 6.6 | 96.3 |
|  | Very unlikely | 5 | 3.3 | 3.7 | 100.0 |
|  | Total | 136 | 90.7 | 100.0 |  |
| Missing | System | 14 | 9.3 |  |  |
| Total |  | 150 | 100.0 |  |  |

**An effective Web site requires extensive creativity and clarity.**

|       |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly agree    | 85        | 56.7    | 59.0          | 59.0               |
|       | Agree             | 48        | 32.0    | 33.3          | 92.4               |
|       | No opinion        | 8         | 5.3     | 5.6           | 97.9               |
|       | Disagree          | 2         | 1.3     | 1.4           | 99.3               |
|       | Strongly disagree | 1         | .7      | .7            | 100.0              |
|       | Total             | 144       | 96.0    | 100.0         |                    |
| Missing | System          | 6         | 4.0     |               |                    |
| Total |                   | 150       | 100.0   |               |                    |

**The cost for Internet marketing is less than what would be spent for other media.**

|       |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly agree    | 41        | 27.3    | 28.5          | 28.5               |
|       | Agree             | 65        | 43.3    | 45.1          | 73.6               |
|       | No opinion        | 26        | 17.3    | 18.1          | 91.7               |
|       | Disagree          | 10        | 6.7     | 6.9           | 98.6               |
|       | Strongly disagree | 2         | 1.3     | 1.4           | 100.0              |
|       | Total             | 144       | 96.0    | 100.0         |                    |
| Missing | System          | 6         | 4.0     |               |                    |
| Total |                   | 150       | 100.0   |               |                    |

**The implementation of a Web site reduces the number of sales people needed.**

|       |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly agree    | 27        | 18.0    | 18.8          | 18.8               |
|       | Agree             | 42        | 28.0    | 29.2          | 47.9               |
|       | No opinion        | 33        | 22.0    | 22.9          | 70.8               |
|       | Disagree          | 31        | 20.7    | 21.5          | 92.4               |
|       | Strongly disagree | 11        | 7.3     | 7.6           | 100.0              |
|       | Total             | 144       | 96.0    | 100.0         |                    |
| Missing | System          | 6         | 4.0     |               |                    |
| Total |                   | 150       | 100.0   |               |                    |

**Web sites provide a 24 hour service to customers and potential customers.**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 67 | 44.7 | 46.9 | 46.9 |
| | Agree | 58 | 38.7 | 40.6 | 87.4 |
| | No opinion | 11 | 7.3 | 7.7 | 95.1 |
| | Disagree | 3 | 2.0 | 2.1 | 97.2 |
| | Strongly disagree | 4 | 2.7 | 2.8 | 100.0 |
| | Total | 143 | 95.3 | 100.0 | |
| Missing | System | 7 | 4.7 | | |
| Total | | 150 | 100.0 | | |

**The use of the Internet as a marketing tool will significantly contribute to the economic growth.**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 65 | 43.3 | 45.1 | 45.1 |
| | Agree | 53 | 35.3 | 36.8 | 81.9 |
| | No opinion | 16 | 10.7 | 11.1 | 93.1 |
| | Disagree | 8 | 5.3 | 5.6 | 98.6 |
| | Strongly disagree | 2 | 1.3 | 1.4 | 100.0 |
| | Total | 144 | 96.0 | 100.0 | |
| Missing | System | 6 | 4.0 | | |
| Total | | 150 | 100.0 | | |

**Web sites can be designed to reflect the culture of the UAE.**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 53 | 35.3 | 36.8 | 36.8 |
| | Agree | 70 | 46.7 | 48.6 | 85.4 |
| | No opinion | 14 | 9.3 | 9.7 | 95.1 |
| | Disagree | 4 | 2.7 | 2.8 | 97.9 |
| | Strongly disagree | 3 | 2.0 | 2.1 | 100.0 |
| | Total | 144 | 96.0 | 100.0 | |
| Missing | System | 6 | 4.0 | | |
| Total | | 150 | 100.0 | | |

**Web sites can be designed according to the principles of Islam.**

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 58 | 38.7 | 40.8 | 40.8 |
|  | Agree | 51 | 34.0 | 35.9 | 76.8 |
|  | No opinion | 25 | 16.7 | 17.6 | 94.4 |
|  | Disagree | 5 | 3.3 | 3.5 | 97.9 |
|  | Strongly disagree | 3 | 2.0 | 2.1 | 100.0 |
|  | Total | 142 | 94.7 | 100.0 |  |
| Missing | System | 8 | 5.3 |  |  |
| Total |  | 150 | 100.0 |  |  |

**Web sites, when properly designed will not offend the culture or religion.**

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 58 | 38.7 | 41.1 | 41.1 |
|  | Agree | 52 | 34.7 | 36.9 | 78.0 |
|  | No opinion | 22 | 14.7 | 15.6 | 93.6 |
|  | Disagree | 6 | 4.0 | 4.3 | 97.9 |
|  | Strongly disagree | 3 | 2.0 | 2.1 | 100.0 |
|  | Total | 141 | 94.0 | 100.0 |  |
| Missing | System | 9 | 6.0 |  |  |
| Total |  | 150 | 100.0 |  |  |

**Marketing products on the Internet is becoming the way of business for many companies.**

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 66 | 44.0 | 46.2 | 46.2 |
|  | Agree | 68 | 45.3 | 47.6 | 93.7 |
|  | No opinion | 6 | 4.0 | 4.2 | 97.9 |
|  | Disagree | 1 | .7 | .7 | 98.6 |
|  | Strongly disagree | 2 | 1.3 | 1.4 | 100.0 |
|  | Total | 143 | 95.3 | 100.0 |  |
| Missing | System | 7 | 4.7 |  |  |
| Total |  | 150 | 100.0 |  |  |

**There are no limitations as to what can be marketed on the Internet.**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 53 | 35.3 | 36.8 | 36.8 |
| | Agree | 60 | 40.0 | 41.7 | 78.5 |
| | No opinion | 15 | 10.0 | 10.4 | 88.9 |
| | Disagree | 13 | 8.7 | 9.0 | 97.9 |
| | Strongly disagree | 3 | 2.0 | 2.1 | 100.0 |
| | Total | 144 | 96.0 | 100.0 | |
| Missing | System | 6 | 4.0 | | |
| Total | | 150 | 100.0 | | |

**Products on the Internet can be sold at lower prices.**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly agree | 40 | 26.7 | 28.0 | 28.0 |
| | Agree | 63 | 42.0 | 44.1 | 72.0 |
| | No opinion | 24 | 16.0 | 16.8 | 88.8 |
| | Disagree | 10 | 6.7 | 7.0 | 95.8 |
| | Strongly disagree | 6 | 4.0 | 4.2 | 100.0 |
| | Total | 143 | 95.3 | 100.0 | |
| Missing | System | 7 | 4.7 | | |
| Total | | 150 | 100.0 | | |

# REFERENCES

Anderson, A. (2001). Dubai makes a bid for e-business. International Tax Review, 12(1), 47-49.

Brunner, B. (Ed.). (1999). The Time Almanac 2000. Boston: Time.

Cashman, S. (2000). Discovering computers 2001. New York: Thompson Learning Center.

Creative Strategies. (1998, Spring). Online media strategies for advertising, Special Report. Internet Advertising Bureau.

Hoffman, D. L., & Novak, T. P. (2000). How to acquire customers on the web. Harvard Business Review, 78(3), 179.

Hyland, T. (1998, Spring). Web advertising, a year of growth. IAB Online advertising guide, 20A.

Janal, D. S. (2000). Dan Janal's guide to marketing on The Internet. New York: John Wiley & Sons, Inc.

Modahl, M. (2000). Now or never. New York: HarperBusiness.

O'Brien, J. A. (1996). Management information systems. Chicago: Irwin.

Survey: UAE firms give Internet the thumbs up. (2001, March 24). ABCNews.com, http://abcnews.go.com/section/tech/dailynews/usaenet_000224.hml

Testerman, J. O., Kuegler, T. J., & Dowling, P. J. (1999). Web advertising and marketing. Rocklin: Prima Publishing.

United Arab Emirates Handbook, 1998. (1998). London: Trident Press Ltd.

United Arab Emirates Handbook, 1999. (1999). London: Trident Press Ltd.

United Arab Emirates Handbook, 2000. (2000). London: Trident Press Ltd.

United Arab Emirates Handbook, 2001. (2001). London:
Trident Press Ltd.

United Arab Emirates Yearbook, 2000. (2000). London:
Planet Publishing Ltd.